

FHI Announces First Half Financial Results for FYE2015

Tokyo, October 31, 2014 - Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, today announced its consolidated financial results for the first half of fiscal year ending March 31, 2015.

< FYE2015 1st Half Results: Consolidated Net Sales >

Subaru's Japan sales fell 18.1% from a year ago to 72,000 units due to the prolonged effects of the consumption tax hike, posting a decrease in both passenger car and mini car sales. Overseas sales rose 17.9% to 360,000 units, driven by continued high demand for the Forester together with strong sales of the WRX series as well as the all-new Legacy and Outback that were launched in North America ahead of other markets in the world. In total, Subaru's global sales increased 9.9% to 432,000 units.

FHI's consolidated net sales rose 16.4% to 1310.2 billion yen due to unit sales growth, foreign exchange gains and other factors.

< FYE2015 1st Half Results: Consolidated Profit and Loss >

As increases in SG&A and R&D expenses were covered by unit sales growth, exchange rate gains, cost reduction progress and other factors, operating income rose 23.2% to 185.7 billion yen while ordinary income grew 20.3% to 176 billion yen and net income increased 13.2% to 113 billion yen.

Global unit sales, overseas unit sales, net sales and all profit figures posted all-time records for the first half period.^(*)

< FYE2015 Full-Year Forecasts >

Full-year projections are revised upward to net sales at 2,780 billion yen, operating income at 382 billion yen, ordinary income at 370 billion yen and net income at 241 billion yen. While there are changes from the previous projections to be incorporated such as an increase in R&D spending to enhance product competitiveness for the company's sustainable growth as well as a decrease in unit sales mainly in Japan, those factors are projected to be covered by revised currency rate assumptions, SG&A reduction efforts, further progress on cost reduction, and so on.

Global unit sales, overseas unit sales, net sales and all profit figures are projected to reach all-time highs in FHI history.^(*)

Currency rate assumptions: 104 yen/US\$, 137 yen/euro

Based on the consolidated financial results for the first half and consolidated financial forecasts for the full year, FHI will raise the interim and year-end dividends from the previous projection each by 3 yen to 31 yen per share. Accordingly, the annual dividend for FYE2015 will be 62 yen per share, an increase of 6 yen from the previous year.

< Previous Forecasts for FYE2015 (Announced on July 31, 2014) >

Net sales: 2,720 billion yen

Operating income: 340 billion yen

Ordinary income: 330 billion yen

Net income: 215 billion yen

Currency rate assumptions: 100 yen/US\$, 135 yen/euro

*1: Since fiscal year ended March 2001 - the year FHI started half-year consolidated financial reporting

*2: Since fiscal year ended March 1986 - the year FHI started full-year consolidated financial reporting

Forward-looking statements in this document including financial and other forecasts are based on the information available at the time of the announcement and are subject to various risks and uncertainties that could cause actual results to vary materially.

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